

*Ruse*

Exhibit No. 1

Witness

Date 7/17/01

Reporter

## A closer look at our rates

### Rate 1 Residential Service

Residential customers who use natural gas for general use, water heating, space heating or cooling are in our Rate 1 category.

### Rate 4 General Service

Commercial customers who use natural gas for non-heating, heating and/or cooling are in our Rate 4 category.

### Rate 1 Residential Service

**Monthly Customer Charge** \$6.00

### Distribution Charge

First 20 therms at	\$0.2012
Next 30 therms at	\$0.1117
Balance at	\$0.0374

### Rate 4 General Service

### Monthly Customer Charge

Less than 1,000 cfh	\$11.50**
1,000 cfh to 10,000 cfh	\$50.00**
More than 10,000 cfh	\$100.00**

### Distribution Charge

First 150 therms at	\$0.1330
Next 4,850 therms at	\$0.0683
Balance at	\$0.0377

All customers also pay the Gas Supply Charge. This charge varies monthly. Additional rates are available for large commercial/industrial customers.

\*\* The Monthly Customer Charge for Rate 4 is based on your meter size and use of natural gas in cubic feet per hour (cfh). Most customers are in the "Less than 1,000 cfh" category. If you have any questions, please call our Customer Service Department.

## Seasonal customers

You are a seasonal customer if you go out of town for an extended period and ask us to turn your meter off and then back on again within 12 months. If you are a seasonal customer, when we turn your meter back on, you will be charged the Monthly Customer Charge for each month the meter was off, plus a Reconnect Charge of \$23.

## Sharing

The Sharing program helps needy Northern Illinois Gas customers, with an annual income at or below 140 percent of the federally established poverty level, pay their gas bill. To participate in the Sharing program, check the appropriate Sharing box on your bill and add the amount to your payment.

## Paying your bill

Your Northern Illinois Gas bill should be paid on or before the bill's due date. If a bill is paid late, a Late Payment Charge of 1.5 percent per month will be added to your next bill. To make paying your gas bill quick and easy, try one of our bill payment options like the Convenient Payment Plan or Auto Payment Option. You may also pay your bill by telephone or personal computer using your choice of consumer electronic bill payment services.

A more detailed explanation of the charges, terms used on your bill and bill payment options is printed on the back of each bill.

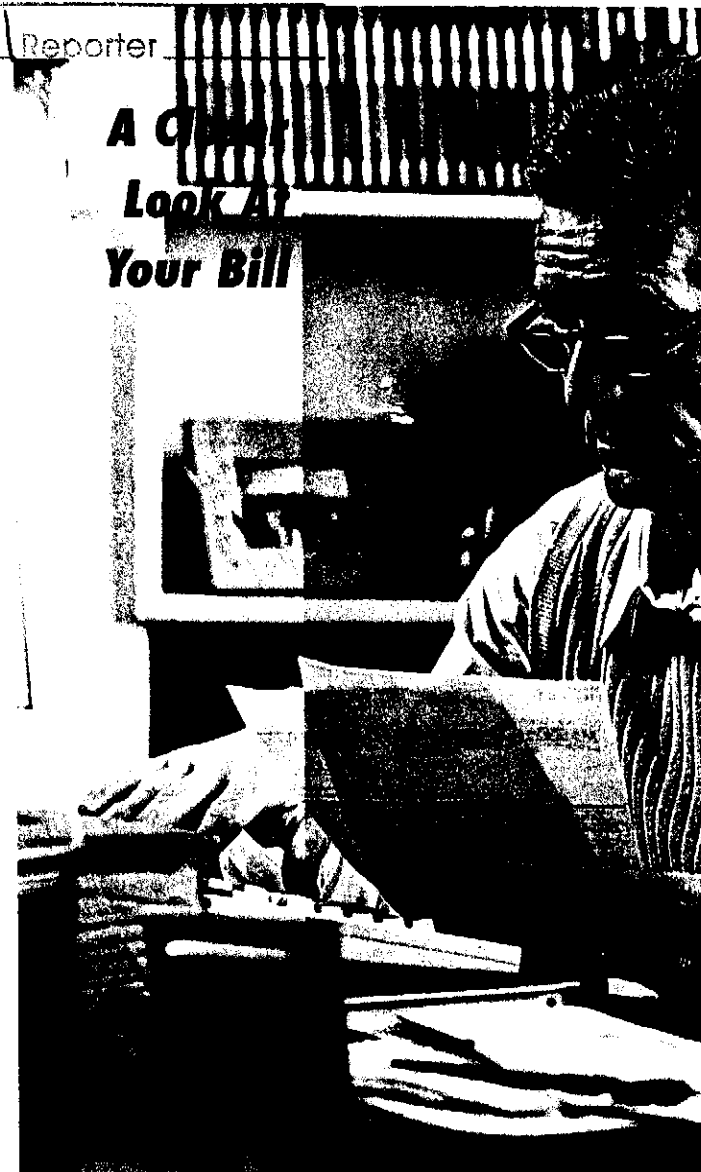
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**Northern Illinois Gas**

A NICOR Company

**A Closer Look At Your Bill**



Northern Illinois Gas is pleased to provide you with safe, reliable and economical natural gas service. We'd like to show you how to calculate your bill and explain our rates. If you have any questions, please call our Customer Service Department. The number is listed on your bill and in your local telephone directory. Our mailing address is P.O. Box 190, Aurora, IL 60507-0190.

## Calculating your bill

### Amount of Gas Used

<b>1. Current Reading</b>	<b>2708</b>
<b>2. Previous Reading</b>	<b>2466</b>
<b>3. Use in 100 cubic feet</b>	<b>242</b>
Item 1 minus item 2	
<b>4. Therms</b>	<b>246.84</b>
Item 3 multiplied by Btu factor (1.020*)	

Your gas bill is based on several elements including the volume of natural gas used during your billing period (actual or estimated). For billing, hundreds of cubic feet of gas used are multiplied by the average Btu factor to convert natural gas used to therms. The Btu factor is a measure of the heat content of natural gas.

\* This factor may vary. The number used is an example. To calculate your bill, use the number shown on your bill.

### Charges

#### **5. Monthly Customer Charge** **\$6.00**

This is a fixed charge covering a portion of our costs to make gas service available. This charge covers part of our investment in your meter, regulator and service pipe. It also covers some of our administrative expenses such as accounting, system maintenance, meter reading and billing. This is the minimum charge for most customers. Rate 1 and Rate 4 Monthly Customer Charges are listed on the back page.

#### **6. Gas Supply Charge** **\$79.70**

246.84 therms @ \$0.3229\*

This charge is the monthly average cost per therm of natural gas supplies purchased for our customers. It is computed by multiplying therms of gas used by the average cost of gas supplies. This cost varies monthly due to the commodity price of natural gas and your monthly use. It can be changed only after Illinois Commerce Commission review.

#### **7. Environment Cost** **\$0.72**

246.84 therms @ \$0.0029

This charge is for the recovery of the costs we are incurring for the study and possible cleanup of former manufactured gas plant sites. Before pipelines were built to bring us natural gas from other parts of the country, gas was manufactured from coal. One byproduct of the process was coal tar. Today, we want to make sure that any coal tar left behind isn't a problem for the surrounding population or the environment.

#### **8. Distribution Charge** **\$14.73**

20 therms @ \$0.2012 = 4.02  
30 therms @ \$0.1117 = 3.35  
196.84 therms @ \$0.0374 = 7.36

This charge helps cover our operating and financial costs. This includes payroll, taxes, depreciation and the fixed costs not covered by the Monthly Customer Charge. It is based on the amount of gas used and therefore varies month to month.

#### **9. Subtotal** **\$101.15**

Sum of items 5, 6, 7 & 8

#### **10. State Tax Charges** **\$5.16**

Use the lower number in (a) and add to (b)  
a. 5 percent of item 9 = \$5.06  
or 246.84 therms @ \$0.0240 = 5.92  
b. 0.10 percent of item 9 = 0.10

The State Utility Tax, item (a) above, is a utility revenue tax. The Utility Fund Tax is (b) and funds the Illinois Commerce Commission that regulates all Illinois utilities. These are not sales taxes and are mandated by the state of Illinois.

#### **11. Municipal Utility Tax (if any)**

A charge levied by some municipalities on utility revenue as authorized by Section 8-11-2 of the Illinois Municipal Code. This tax is applied according to the local municipality's ordinance.

#### **12. Total Current Bill** **\$106.31**

Sum of items 9, 10 & 11